Department of State

TELEGRAM

CONFIDENTIAL 032

PAGE 01 BONN 03294 192012Z

82
ACTION E-15

EXCISE

INFO OCT-01 AF-12 EUR-20 NEA-13 AID-28 CIAE-00 COM-08
FRB-02 INR-08 NSAE-00 RSC-01 TRSE-00 XMB-06 OPIC-12
CIEP-01 TRSY-11 NSC-10 SS-20 STR-08 L-04 H-02 INT-06
P-03 PRS-01 USIA-12 PM-05 GSA-01 OEP-01 JUS-02 SSO-00
RSR-01 /214 W

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R 191715Z MAR 71
FM AMEMBASSY BONN
TO SECSTATE WASHDC 2320
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
USMISSION EC BRUSSELS
USMISSION NATO
OMEMBASSY OECD PARIS UNN

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cf DATE 6/22/81
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L BONN 3294

SUBJECT: LIBYAN OIL NEGOTIATIONS

REF: STATE 044883

1. WE BRIEFED ECONOMICS MINISTRY [redacted] ON THE LIBYAN OIL SITUATION AS INSTRUCTED IN REFTEL. [redacted] B1

[redacted] B1

2. [redacted] THE ECONOMICS MINISTRY HAD ALSO DISCUSSED THE COST OF LIBYA'S OIL DEMANDS WITH CERTAIN COMPANY REPRE- B1

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SENTATIVES. HE WAS AWARE OF THE GENERAL ORDER OF MAGNITUDE OF THE COST TO COMPANIES AND RECOGNIZED THAT THE NEW DELIVERED PRICE OF LIBYAN OIL TO EUROPE WOULD INCREASE SIGNIFICANTLY.

3. [redacted] B1

NEXT WEEK SCHILLER WILL ABOLISH THE SO-CALLED SELF-RESTRAINTS ON IMPORTS TO (A) DEMONSTRATE HIS INTENTION TO ADHERE TO A LIBERAL POLICY IN THE FUTURE, (B) INCREASE OIL SUPPLIES, AND (C) ENHANCE COMPETITIVE FORCES ON THE GERMAN OIL MARKET.

4. COMMENT: [redacted] B1

THE FRG WOULD BE SERIOUSLY CONCERNED ABOUT ANY DISPARITIES IN PRICE INCREASES IN GERMANY AS COMPARED WITH OTHER EUROPEAN COUNTRIES WITH RESTRICTIVE ENERGY POLICIES SINCE THIS WOULD GENERATE PRESSURE FOR A MODIFICATION OF THE FRG LIBERAL POLICY.
RUSH

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